
2. PROSPECTUS SUMMARY

THE FOLLOWING INFORMATION IS ONLY A SUMMARY OF THE SALIENT INFORMATION RELATING TO THE TMC LIFE SCIENCES GROUP. INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST.

The following summary is qualified in its entirety by the more detailed information, including the Accountants' Report and Notes thereto, included elsewhere in this Prospectus. This Prospectus contains certain statements of a forward-looking nature relating to future events or the future financial performance of the Group. Prospective investors are cautioned that such statements are only predictions and that actual results or events when materialised may differ materially from those disclosed in this Prospectus. Therefore, in evaluating such statements, prospective investors should carefully consider the various factors identified in this Prospectus, including the matters set forth under the heading "Risk Factors".

2.1 History, Principal Activities and Group Structure

TMC Life Sciences was incorporated in Malaysia under the Act on 8 August 2003 as a private limited company. It was converted to a public company on 9 December 2003.

The Company is principally an investment holding company with two (2) wholly-owned subsidiaries, namely DWSC and IVF Tech. DWSC has a wholly-owned subsidiary, namely, DFC. The Company does not have any associated companies. DWSC and its wholly-owned subsidiary, DFC, incorporated on 11 March 1999 and 21 May 2003 respectively, are principally involved in the provision of medical services and supplies. IVF Tech was incorporated on 5 March 1996 and is engaged in the provision of consultancy, R&D services.

The business of the Group was founded in January 1994 through the setting up of Damansara Women's Clinic / Damansara Fertility Clinic by SS Lee, a 75% owned company of its founder, Dr Colin Lee. In August 1999, SS Lee underwent a corporate restructuring exercise to streamline its activities which resulted in it ceasing its clinic business. The same business was immediately recommenced by DWSC in August 1999.

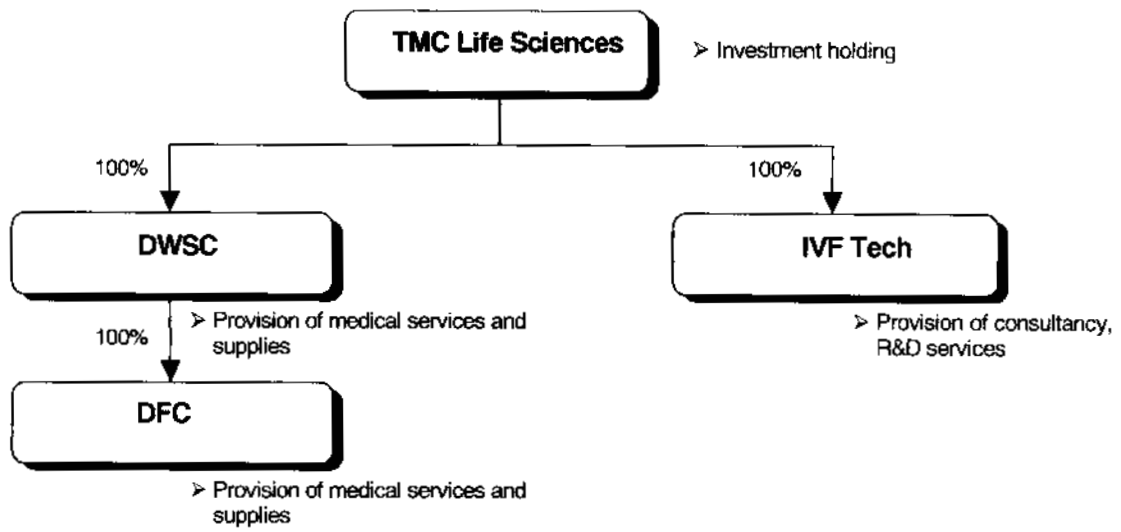
The principal activities of the Group are to offer a comprehensive range of fertility services, including investigation of infertility, and medical advice and treatments to help women conceive, which include artificial insemination such as IUI and various ART procedures such as IVF, GIFT, FET, embryo and sperm banking and egg and sperm donation. The Group is also involved in R&D activities and since its inception, has pioneered some of Malaysia's advances in fertility services. Its initiatives in R&D have enabled the Group and its doctors to make numerous medical achievements in Malaysia. Among the early successes of the business were to produce what is believed to be South-East Asia's first reported IVF surrogate baby in 1996 and Malaysia's first conception twins (born 1½ years apart) through GIFT/FET procedures in 1996/1998.

Apart from performing fertility procedures, the Group also provides services for other areas of women's health, including that of advanced laparoscopic surgery and general O&G services.

The Group presently has three (3) centres. The main centre is located at Damansara Utama, Petaling Jaya, Selangor while the other two (2) centres are located at Kepong, Kuala Lumpur and Johor Bahru, Johor.

The Group believes it is a market leader in ART in Malaysia, accounting for at least 1/3 of all test-tube babies produced in Malaysia and a market share of about 20% amongst local fertility centres. The Group believes it is one of the very few centres in Malaysia that provide a comprehensive range of ART services. Over the years, the Group has continuously produced successful and consistent results in various ART procedures and the pregnancy rates recorded by the Group were comparable to those reported by world-class centres.

The Group's present structure is as follows:-



Further information on TMC Life Sciences and its subsidiaries are disclosed in Section 5 and Section 6 of this Prospectus.

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2.2 Ownership and Management

Based on the Register of Members of TMC Life Sciences as at LPD, the direct and indirect interests of the Promoters, Major Shareholders, directors and key management and technical personnel in the issued and paid-up share capital of TMC Life Sciences upon the completion of the IPO are as follows:-

Shareholders	Designation	Before IPO			Upon IPO		
		Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
Promoters							
Dr Colin Lee	Managing Director	⁽¹⁾ 82,773,009	65.57	-	82,773,009	49.17	-
Amos Siew	Executive Director	⁽¹⁾ 3,075,287	2.44	-	3,075,287	1.83	-
Major Shareholders							
Dr Colin Lee	Managing Director	⁽¹⁾ 82,773,009	65.57	-	82,773,009	49.17	-
Lim Dee Dek @ Lim Tua Lek	-	⁽¹⁾ 14,691,916	11.64	-	⁽²⁾ 14,891,916	8.85	-
Board of Directors							
Professor Emeritus Dato' Dr Khalid Abdul Kadir	Independent Non-Executive Chairman	-	-	-	20,000	0.01	-
Dr Colin Lee	Managing Director	⁽¹⁾ 82,773,009	65.57	-	82,773,009	49.17	-
Amos Siew	Executive Director	⁽¹⁾ 3,075,287	2.44	-	3,075,287	1.83	-
YB Dato' Dr Tan Kee Kwong	Independent Non-Executive Director	-	-	-	⁽²⁾ 20,000	0.01	-
Lee Soon Swee	Non-Independent Non-Executive Director	-	-	-	⁽²⁾ 50,000	0.03	-
Dr Yap Teck Long	Independent Non-Executive Director	-	-	-	⁽²⁾ 20,000	0.01	-
Dr Francis Lisa Muga	Independent Non-Executive Director	-	-	-	⁽²⁾ 20,000	0.01	-
Dr Wong Pak Seng	Executive Director	1,000,000	0.79	-	⁽²⁾ 1,080,000	0.64	-
Dr Surinder Singh	Alternate Director to Dr Wong Pak Seng	900,000	0.71	-	900,000	0.53	-

Shareholders	Designation	Before IPO			Upon IPO		
		Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
Key Management and Technical Personnel							
Dr Colin Lee	Managing Director	⁽¹⁾ 82,773,009	65.57	-	82,773,009	49.17	-
Amos Siew	Executive Director	⁽¹⁾ 3,075,290	2.44	-	3,075,290	1.83	-
Wenddi-Anne Chong Wai Yeng	Group Administrative Director	3,000,000	2.38	-	⁽²⁾ 3,300,000	1.96	-
Dr Wong Pak Seng	Executive Director	1,000,000	0.79	-	⁽²⁾ 1,080,000	0.64	-
Dr Surinder Singh	Alternate Director to Dr Wong Pak Seng	900,000	0.71	-	900,000	0.53	-
Khoo Pei Uee	Embryologist	100,000	0.08	-	⁽²⁾ 110,000	0.07	-
Low Sin Yee	Embryologist	110,000	0.09	-	⁽²⁾ 120,000	0.07	-
Lee Beng Hoon	Head Nurse	150,000	0.12	-	⁽²⁾ 200,000	0.12	-

Notes:-

- (1) During the prescription period, certain shareholders of the Company, namely Lee Soon Ai and Ooi Lay Pheng, will transfer a portion of their Shares to Dr Colin Lee, Amos Siew, Amos Tan En Wai and Lim Dee Dek @ Lim Tua Lek. Please refer to Section 7.1 (ix) for further details.
- (2) Based on their respective entitlements for the pink form share allocation pursuant to the IPO.

A description of the Promoters, major shareholders, directors, key management and technical personnel, and their direct and indirect shareholdings in the Company, is disclosed in Section 8 of this Prospectus.

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2.3 Proforma Consolidated Income Statements

A summary of the Proforma Consolidated Income Statements of the Company for the five (5) financial years ended 31 December 2004 and the four (4) months ended 30 April 2005, as extracted from the Accountants' Report, which was prepared based on the audited financial statements of the Company, DWSC and IVF Tech and on the basis that the consolidation had been effected throughout the relevant periods under review, and that the results of IVF Tech have also been prorated to align with the Proforma Group's financial year end, are as follows:-

	Financial Year Ended 31 December					Proforma
	Proforma 2000 (RM'000)	Proforma 2001 (RM'000)	Proforma 2002 (RM'000)	Proforma 2003 (RM'000)	Proforma 2004 (RM'000)	4 Months ended 30.04.2005 (RM'000)
Revenue	5,296	6,945	8,967	12,035	16,574	6,826
EBIDTA	253	1,318	2,611	4,564	8,362	3,824
Depreciation	-	-	-	(184)	(502)	(171)
Amortisation	-	-	-	-	-	-
Interest expense	-	-	-	(2)	(7)	(2)
PBT	253	1,318	2,611	4,378	7,853	3,651
Taxation	(81)	(380)	(749)	(1,240)	(2,201)	(1,011)
MI	-	-	-	-	-	-
PAT	172	938	1,862	3,138	5,652	2,640
Number of Shares assumed in issue ('000)*	168,330	168,330	168,330	168,330	168,330	168,330
Net EPS (RM)	0.001	0.005	0.011	0.018	0.033	0.015

Notes:-

- * Based on the enlarged issued and paid-up share capital of the Company of 168,330,000 Shares after the completion of the Acquisitions, Special Issue, Doctor and Staff Share Participation Scheme, Share Split, Share Transfer and IPO.
- 1 Adjustments have been made to eliminate inter-company transactions within the Group.
- 2 There were no exceptional or extraordinary items in the relevant years/period under review.
- 3 There were no audit qualifications for all the financial years or period under review.

The Proforma Consolidated Income Statements should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report, as set out in Section 12 of this Prospectus.

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2.4 Proforma Consolidated Balance Sheets

An extract of the Proforma Consolidated Balance Sheets of the Company as at 30 April 2005 to show the effects of the Acquisitions, Special Issue, Share Split, IPO and Utilisation of Proceeds on the assumption that these transactions are completed on 30 April 2005 are presented below. The Doctor and Staff Share Participation Scheme and Share Transfer will not have any effects on the proforma NTA per Share of the Company.

	Company As at 30.04.2005 (RM'000)	Proforma I After Acquisitions (RM'000)	Proforma II After Proforma I and Special Issue (RM'000)	Proforma III After Proforma II and Share Split (RM'000)	Proforma IV After Proforma III and IPO (RM'000)
Property, plant and equipment	-	23,323	23,323	23,323	33,323
Development project costs	-	2,776	2,776	2,776	5,776
Current assets	376	6,981	7,801	7,801	8,799
Current liabilities	(386)	(2,964)	(2,964)	(2,964)	(2,964)
Net current (liabilities)/assets	(10)	4,017	4,837	4,837	5,835
	(10)	30,116	30,936	30,936	44,934
Share capital	* -	11,803	12,623	12,623	16,833
Share premium	-	-	-	-	9,788
Reserves on consolidation	-	9,097	9,097	9,097	9,097
Accumulated losses	(10)	(10)	(10)	(10)	(10)
	(10)	20,890	21,710	21,710	35,708
Deferred and long term liabilities	-	9,226	9,226	9,226	9,226
	(10)	30,116	30,936	30,936	44,934
No. of Shares ('000)	* -	(1) 11,803	(1) 12,623	126,230	168,330
Net tangible (liabilities)/assets per Share (RM)	(5,068.50)	1.53	1.50	0.15	0.18

Notes:-

* Two (2) ordinary shares of RM1.00 each.

1 Ordinary shares of RM1.00 each.

For details concerning the Proforma Consolidated Balance Sheet of TMC Life Sciences, please see Section 13 of this Prospectus.

2.5 Risk Factors

Prospective investors, prior to making an investment in the Company, should carefully consider the risk factors inherent in and affecting the business of the Company and its subsidiary companies and this offering. In addition, the discussion in this Prospectus contains forward-looking statements that involve risks and uncertainties. The Company's and the Group's actual results when materialised could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to those discussed in Section 4 "Risk Factors" of this Prospectus, and also include those discussed throughout this Prospectus.

The key risk factors that may affect the Group's future profitability are not limited to financial risks, market risks and industry risks. Risk factors also include the following:-

- (i) Business Risks;
- (ii) Changes in Government Policies, Regulations and Legislations;
- (iii) Dependency of Fertility Treatment Success Rate;
- (iv) Potential Litigation and Professional Liability;
- (v) Potential Inquiry into the Conduct of the Group's Medical Consultants;
- (vi) Dependency on Major Supplier;
- (vii) Dependency on On-going Relationships;
- (viii) Competition;
- (ix) Technological Changes;
- (x) Dependency on Skilled Workforce and Key Personnel;
- (xi) Uncertainties in the 5-Year Business Development Plan;
- (xii) Future Capital Requirement;
- (xiii) No Prior Market for the Shares;
- (xiv) Continued Control by Promoters;
- (xv) Political, Social and Economic Considerations;
- (xvi) Acquisitions and Joint Ventures;
- (xvii) Insurance Coverage on Assets;
- (xviii) Borrowings;
- (xix) Disclosure Regarding Forward-Looking Statements;
- (xx) Breakout of Fire, Energy Crisis and Other Emergency Crisis.

Further discussion on the risk factors is included in Section 4 of this Prospectus.

If you are unsure about any of the detailed risk factors contained in Section 4 of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

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2.6 Principal Statistics of the IPO

The following principal statistics relating to the IPO are derived from the full text of this Prospectus and should be read in conjunction with the text.

Authorised Share Capital: 250,000,000 ordinary shares of RM0.10 each	RM 25,000,000
Issued and Fully Paid-up Share Capital: 126,230,000 Shares	12,623,000
To be Issued Pursuant to the IPO: 42,100,000 Shares	4,210,000
Enlarged Share Capital upon Listing 168,330,000 Shares	<u>16,833,000</u>
Issue Price per Share	RM0.38
Market Capitalisation Based on the Issue Price	RM63,965,400

The IPO shall be by way of private placement and public offer. There is only one (1) class of shares in the Company, namely ordinary shares of RM0.10 each, all of which rank pari passu with one another. The IPO Shares shall rank pari passu in all respects with the existing Shares, including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

Full details are disclosed in Section 3.1 of this Prospectus.

Proforma Consolidated NTA Based on the Proforma Consolidated Balance Sheets as at 30 April 2005:

Proforma Consolidated NTA upon listing (RM'000)	29,930
Proforma Consolidated NTA per Share upon listing (RM)	0.18
Premium of Issue Price over Proforma NTA (RM)	0.20
Premium of Issue Price over Proforma NTA (%)	111

The Proforma Consolidated Balance Sheet of the Company as at 30 April 2005 together with the Reporting Accountants' letter thereon are contained in Section 13 of this Prospectus.

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2.7 Proceeds of the IPO and Proposed Utilisation

The gross proceeds of RM15,998,000 accruing to the Company from the IPO is proposed to be utilised as follows:-

Details	RM
R&D projects	6,000,000
To part finance the construction of TMC	6,000,000
Local and regional expansion	1,500,000
Working capital *	498,000
Listing expenses *	2,000,000
TOTAL	15,998,000

Note:-

* Any variation in the actual listing expenses from the estimated amount will be adjusted in the working capital.

Details of the utilisation of proceeds are further disclosed in Section 3.7 of this Prospectus.

2.8 Working Capital, Material Litigation, Material Capital Commitments, Borrowings and Contingent Liabilities

2.8.1 Working Capital

The directors of the Company are of the opinion that after taking into consideration the cash flow position of the Group including the proceeds of the IPO, the Group will have adequate working capital to meet its requirements for a period of twelve (12) months from the date of issue of this Prospectus.

2.8.2 Material Litigation

Save as disclosed in below, as at LPD, neither the Company nor its subsidiaries are engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Group.

Kuala Lumpur Sessions Court Summons No. 12-53-665-2005

Sharmila Rebecca George (**"Plaintiff"**) vs Dr Colin Lee (1st), Damansara Women's Specialist Centre Sdn Bhd (2nd) and Hospital Pakar Damansara Sdn Bhd (3rd) (collectively the **"Defendants"**).

The Plaintiff has on 3 June 2005 commenced an action against the Defendants for alleged medical negligence. The Plaintiff is claiming, inter alia, special damages amounting to RM76,848.53 and general damages. The Court has fixed this matter for mention on 4 October 2005.

The Board is of the opinion that the First and Second Defendants have a strong defence to this claim. The lawyers representing the 1st Defendant is of the view that the 1st Defendant has a strong defence to this claim and it follows that liability similarly should not attach to the 2nd Defendant.

The Board is of the opinion that there will not be any material financial impact arising from the above-mentioned material litigation as both the 1st and 2nd Defendants are adequately insured.

2.8.3 Material Capital Commitments

Save as disclosed below, the Board is not aware of any capital commitments incurred or known to be incurred by the Group, which may materially affect the financial position or business of the Group, as at LPD.

Details	RM'000
For the construction of Tropicana Medical Centre, which has been approved by the directors of DWSC but not contracted for	35,000
Non-cancellable operating lease commitments	489
Non-cancellable nursing sponsorship commitments	214
	35,703

2.8.4 Borrowings

As at LPD, the total borrowings of the Group, which are all interest bearing, amounted to approximately RM6.62 million as follows:-

	Short Term (RM'000)	Long Term (RM'000)
Term loans	581	5,870
Lease payables	54	112
	635	5,982

2.8.5 Contingent Liabilities

As at LPD, the Board is not aware of any contingent liability, which upon becoming enforceable, may materially affect the financial position and business of the Group.

2.9 Intellectual Property

Save for the trademark owned by the Group as shown below, the Group does not possess any other intellectual properties which are material to its business.



The above trademark has been registered by the Registrar of Trade Marks Malaysia in the name of Dr Colin Lee under Class 6 on 12 June 2002. Class 6 covers signboard of metal. Pursuant to a Assignment Agreement dated 23 May 2005, Dr Colin Lee has assigned this trademark registration to DWSC.

3. INTRODUCTION AND DETAILS OF THE IPO

This Prospectus is dated 15 September 2005.

Approvals have been obtained from the SC on 22 April 2005 and 9 May 2005 and MITI on 19 May 2005 for the listing scheme of TMC Life Sciences. Approval has also been obtained from Bursa Securities on 12 September 2005 for the admission of TMC Life Sciences to the Official List of the MESDAQ Market, and for the listing of and quotation for the entire issued and paid-up share capital of TMC Life Sciences, including the IPO Shares, which are the subject of this Prospectus.

The Shares of TMC Life Sciences will be admitted to the Official List of the MESDAQ Market and official quotation will commence upon receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants. Bursa Securities and the SC assume no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the MESDAQ Market is not to be taken as an indication of the merits of the Company and its subsidiaries or of the Shares.

Under Bursa Securities' trading rules, effective from the date of listing, trading in all Bursa Securities listed securities can only be executed through an ADA.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed the Shares of the Company as a prescribed security. In consequence thereof, the IPO Shares offered through this Prospectus will be deposited directly with the Bursa Depository and any dealings in these Shares will be carried out in accordance with the aforesaid Act and the Rules of the Bursa Depository.

An applicant for the IPO Shares must have a CDS account. In the case of an application by way of Application Form, an applicant should state his/her CDS account number in the space provided in the Application Form. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number to the Participating Financial Institution by way of keying his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application.

The written consents of the Adviser, Sponsor, Managing Underwriter and Sole Placement Agent, Underwriters, Solicitors for the Listing, Principal Banker, Issuing House, Registrar and the Company Secretaries to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and letter relating to the Proforma Consolidated Balance Sheets in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the Valuers to the inclusion in this Prospectus of their name and the Valuation Certificate in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

No person is authorised to give any information or to make any representation not contained herein in connection with the IPO and if given or made, such information or representation must not be relied upon as having been authorised by TMC Life Sciences. Neither the delivery of this Prospectus or any offer made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Group since the date hereof.

The distribution of this Prospectus and the sale of the IPO Shares in certain other jurisdictions may be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for the IPO Shares in any jurisdiction in which such invitation is not authorised or lawful, or to any person to whom it is unlawful to make such an invitation.

Investors should rely on their own evaluation to assess the merits and risks of the investment. In considering the investment, investors who are in any doubt as to the action to be taken should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

3.1 Share Capital

Authorised Share Capital:	RM
250,000,000 ordinary shares of RM0.10 each	25,000,000
Issued and Fully Paid-up Share Capital:	
126,230,000 Shares	12,623,000
To be Issued Pursuant to the IPO:	
42,100,000 Shares	4,210,000
Enlarged Share Capital upon Listing	
168,330,000 Shares	16,833,000
Issue Price per Share	RM0.38
Market Capitalisation Based on the Issue Price	RM63,965,400

There is only one class of shares in TMC Life Sciences, namely ordinary shares of RM0.10 each, all of which rank pari passu with one another. The IPO Shares to be issued pursuant to this Prospectus will rank pari passu in all respect with the existing Shares including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

Subject to any special rights attaching to any shares which may be issued by TMC Life Sciences in the future, the holders of the Shares shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of the liquidation of the Company, such surplus shall be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with its Articles of Association and the provision of the Companies Act, 1965.

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each Share held. A proxy may but need not be a member of the Company.

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3.2 Details of the IPO

The IPO of a total of 42,100,000 Shares at the Issue Price of RM0.38 per Share shall be subject to the terms and conditions of this Prospectus and, upon acceptance, will be allocated in the following manner:-

- (i) 2,900,000 IPO Shares will be made available for application by the public under the public offer;
- (ii) 2,500,000 IPO Shares will be made available for application by eligible directors and employees of the Group as well as other persons who have contributed to the success of the Group; and
 - (a) 210,000 IPO Shares have been reserved for the following directors:-

Name of Directors	No. of Shares
Professor Emeritus Dato' Dr Khalid Abdul Kadir	20,000
YB Dato' Dr Tan Kee Kwong	20,000
Lee Soon Swee	50,000
Dr Yap Teck Long	20,000
Dr Francis Lisa Muga	20,000
Dr Wong Pak Seng	80,000
Total	210,000

- (b) 2,290,000 IPO Shares have been reserved for eligible directors and employees of the Group as well as other persons who have contributed to the success of the Group based on the following criteria:-
 - Length of service or association with the Group;
 - Past contribution to the Group; and
 - Expected future contribution to the Group.

The above criteria of allocation have been approved by the Board on 24 August 2005.

The total number of persons eligible for the pink forms allocation is 57.

- (iii) 36,700,000 IPO Shares will be made available for application by selected investors under private placement.

The IPO Shares in respect of paragraphs (i) and (ii) have been fully underwritten by the Underwriters. The IPO Shares in respect of paragraph (iii) are not underwritten as the respective placees have given their irrevocable undertaking to subscribe for the placement Shares.

In the event of an under-subscription in paragraphs (ii) above, all Shares not taken up will be made available for subscription by the public in paragraph (i). Any further Shares not subscribed for will be made available for placement in paragraph (iii). Similarly, any Shares not subscribed for in paragraph (iii) will be made available for subscription by the public in paragraph (i). The minimum subscription level of the IPO is 100%.

The basis of allocation shall take into account the desirability of distributing the IPO Shares to a reasonable number of applicants with a view of broadening the shareholding base of the Company to meet the public spread requirements and to establish a liquid and adequate market for the Shares.

In the event of an overall under-subscription of the Shares in paragraphs (i) and (iii), all Shares not subscribed for will be made available for subscription by the Underwriters in proportions specified in the Underwriting Agreement dated 5 September 2005.

3.3 Critical dates of the IPO

Indicative Timetable

Date of Prospectus/Opening date of the IPO Shares	15 September 2005
Closing date of the IPO Shares	23 September 2005
Tentative balloting date.....	27 September 2005
Tentative date for the despatch of Notice of Allotment.....	5 October 2005
Tentative listing date	6 October 2005

The IPO will close at the date stated above or such later date as the directors of TMC Life Sciences together with the Underwriters may decide.

Where the closing of application list for the IPO Shares is extended from the original date, a notice of such extension(s) will be advertised in a widely circulated English and Bahasa Malaysia newspaper not less than one (1) Market Day before the original closing date.

3.4 Purposes of the IPO

The purposes of the IPO are as follows: -

- (i) To raise funds for the Group's continued operations and expansion, details of which are elaborated in the Section 3.7 below;
- (ii) To provide access to the capital market for the Group's future expansion and growth;
- (iii) To provide an opportunity for investors, both local and international, as well as eligible employees and directors of the Group, and other persons who have contributed to the success of the Group to participate in the equity and continuing growth of the Group; and
- (iv) To facilitate the listing of and quotation for the entire issued and paid-up capital of the Company on the MESDAQ Market, which is expected to enhance the business, profile and future prospects of the Group.

3.5 Pricing of the IPO

As there has been no public market for the Shares prior to the IPO, the Issue Price of RM0.38 per Share was agreed upon between the Company and the Underwriters.

Among the factors considered in determining the Issue Price, were the Group's financial and operating history and conditions, the Group's estimates of its business growth potential and revenue prospects, the management of the Group, the prevailing economic and market sentiments, and the consideration of the aforesaid factors in relation to the market valuation of companies in related business.

The Issue Price represents a premium of approximately RM0.20 or 111% over the Proforma Consolidated NTA of the Company upon listing, based on the Proforma Consolidated Balance Sheets of the Company as at 30 April 2005.

Investors should note that the market price of the Shares upon listing on the MESDAQ Market, are subject to the vagaries of market forces and other uncertainties which may affect the price of the Shares when they are traded.

3.6 Underwriting

The Underwriters have agreed to underwrite 2,900,000 of the IPO Shares to be offered to the public and 2,500,000 of the IPO Shares to be offered to eligible directors and employees of the Group, and other persons who have contributed to the success of the Group.

The salient terms of the Underwriting Agreement dated 5 September 2005 entered into between the Company and the Underwriters stating events which may affect the underwriting arrangement are summarised as follows:-

15. Force Majeure

Notwithstanding anything herein contained the Underwriters or an Underwriter acting through the Managing Underwriter may at any time before the Closing Date by notice in writing delivered to the Company terminate their or its obligations under this Agreement if in the reasonable opinion of the Underwriters or Underwriter concerned there shall have been such a change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange rates or in the stock exchange or otherwise as would in the reasonable opinion of the Underwriters or Underwriter concerned prejudice materially and adversely the success of the issue and offering of the Underwritten Shares and their distribution or sale (whether in the primary market or in respect of dealings in the secondary market) and/or in the event of a national disorder, outbreak of war or the declaration of a state of national emergency and thereupon the Parties shall (except for the liability of the Company in the payment of costs and expenses referred to in Clause 14 above incurred prior to or in connection with such termination) be released and discharged from their respective obligations hereunder.

16. Termination

16.1 Subject to Clause 16.2 below but notwithstanding any other provision herein contained, the Managing Underwriter may by notice in writing to the Company given at any time before the Closing Date, terminate and cancel and withdraw its commitment of the Underwriters to underwrite the Underwritten Shares if :-

16.1.1 any of the Conditions precedent set out in Clause 6 hereof are not duly satisfied by the Closing Date; or

16.1.2 there is any breach by the Company of any of the representations, warranties or undertakings contained in Clause 3, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Managing Underwriter within ten (10) Business Days from the date the Company is notified by the Managing Underwriter of such breach; or

16.1.3 there is failure on the part of the Company to perform any of its obligations herein contained; or

16.1.4 there is withholding of information of a material nature from the Underwriters which is required to be disclosed pursuant to this Agreement which, in the opinion of the Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Public Issue Shares; or

16.1.5 there shall have occurred, or happened any material and adverse change in the business or financial condition of the Company or the Group; or

16.1.6 there shall have occurred, or happened any of the following circumstances:-

- (a) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
- (b) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Underwriters (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);

which, would have or can reasonably be expected to have, in the reasonable opinion of the Managing Underwriter, a material adverse effect on, and/or materially prejudice the business or the operations of the Company or the Group as a whole, the success of the Public Issue, or the distribution or sale of the Public Issue Shares, or which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms.

16.2 In the event that this Agreement is terminated pursuant to Clause 16.1.6, the Underwriters and the Company may confer with a view to deferring the Public Issue by amending its terms or the terms of this Agreement and may enter into a new underwriting agreement accordingly, but neither the Underwriters nor the Company shall be under any obligation to enter into a fresh agreement.

17. Consequences of Termination

In the event of termination pursuant to Clause 16 hereof, the respective parties hereto shall, save and except for any antecedent breach, be released and discharged from their obligations hereunder whereupon this Agreement shall be of no further force or effect subject to the following :-

- (a) the liability of the Company for the payment of costs and expenses as provided in Clause 14 hereof incurred prior to or in connection with such termination shall remain;
- (b) the liability of the Company for the payment of the Commission as provided in Clause 13 hereof shall remain;
- (c) the liability of the Company for the payment of the Management Fee as provided in Clause 2 hereof shall remain;
- (d) subject thereto, each party shall return any moneys paid without interest thereon to the other party within three (3) Business Days of the receipt of such notice of termination from the Managing Underwriter;

Provided that the Managing Underwriter may at their discretion waive compliance with or modify any of the provisions of this Clause without prejudice to their powers, rights and remedies under this Agreement.”

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3.7 Utilisation of Proceeds

The aggregate gross proceeds of the IPO of RM15,998,000 shall accrue entirely to the Company. The Company shall bear all expenses such as underwriting commission and brokerage relating to the IPO and all other expenses and fees incidental to the listing of and quotation for its entire enlarged issued and paid-up share capital on the MESDAQ Market.

The proceeds of the IPO are proposed to be utilised for the following:-

Details	Notes	RM
R&D projects	1	6,000,000
To part-finance the construction of Tropicana Medical Centre	2	6,000,000
Local and regional expansion	3	1,500,000
Working capital *	4	498,000
Listing expenses *	5	2,000,000
TOTAL		15,998,000

Notes:-

* Any variation in the actual listing expenses from the estimated amount will be adjusted in the working capital.

(1) R&D Projects

The Group's on-going R&D into fertility technologies have been translated into increasing pregnancy rates for its patients. Pregnancy rates are undoubtedly the gold standard for assessing the quality and effectiveness of a fertility institution. The Group proposes to utilise part of the IPO proceeds to enhance its R&D capabilities.

This would involve, amongst others, setting up R&D laboratories and other facilities, engaging additional R&D personnel, scientists and medical experts, acquiring new equipment, engaging foreign consultants for technology transfer, and sending its personnel for overseas training or attachments. The RM6 million allocated for R&D projects is expected to be utilised within 2 years from the listing date.

Please refer to Section 6.8 of this Prospectus of the R&D projects proposed to be undertaken by the Group.

(2) To Part-finance the Construction of Tropicana Medical Centre.

The Group plans to construct a women and children specialist medical centre, i.e. Tropicana Medical Centre. The construction and set-up of this medical centre, estimated at RM45 million, will be funded through borrowings (estimated at RM19 million), internally generated funds and IPO proceeds.

The Group had, on 29 September 2003, acquired a piece of 6-acre land in Kota Damansara, Selangor to construct this centre. Details of the land are set out in Section 6.16 of this Prospectus. Construction is expected to commence in 2005 and to be completed by 31 December 2007. The centre is expected to be operational by 1 January 2008.

Tropicana Medical Centre's focus will be on fertility treatment and other areas concerning women and children. Tropicana Medical Centre will enable the Group to expand its current operations. Tropicana Medical Centre will also function as a research centre for the Group's on-going R&D projects. In this respect, the larger patient base that Tropicana Medical Centre provides will enhance the value, significance and applicability of its R&D projects.

It is planned that Tropicana Medical Centre will comprise, amongst others, a one-stop IVF centre (including embryology and andrology laboratories, and sperm and embryo banks), operating theatres, endoscopy suites, labour and delivery suites, special care nursery and well baby nursery etc. The RM6 million allocated to part-finance the construction of Tropicana Medical Centre is expected to be utilised within 2 years from the listing date.

(3) Local and Regional Expansion

The Group plans to set up additional branches / centres in Malaysia to meet customer demand. The Group also intends to expand its activities regionally. In this respect, the Group is in the process of establishing strategic alliances with medical facilities in Indonesia and the Philippines.

Part of the IPO proceeds will be utilised to finance the cost of the proposed expansion and this would include, amongst others, set-up costs, marketing costs, personnel costs, etc. The RM1.5 million allocated for local and regional expansion is expected to be utilised within 2 years from the listing date.

(4) Working Capital

In line with the Group's expansion, additional working capital is required to finance the day-to-day operations, including engaging management consultants, buying medical drugs and equipment, engaging additional personnel, and training of nurses. The RM498,000 allocated for working capital is expected to be utilised within 1 year from the listing date.

(5) Listing Expenses

Expenses incidental to the proposed listing of the Company, comprising underwriting commission, brokerage fees, advisers' fees, authorities' fees and other costs associated with the IPO. The breakdown of the listing expenses are as follows:-

	RM'000
Professional fees	700
Fees of the authorities	40
Underwriting, placement and brokerage fees	950
Printing and advertising fees	200
Miscellaneous	110
Total	2,000

The RM2 million allocated for listing expenses is expected to be utilised within 1 month from the listing date.

The proforma impact of the Utilisation of Proceeds on the Proforma Consolidated Balance Sheets of the Company as at 30 April 2005 are reflected in Section 13 of this Prospectus.

3.8 Brokerage and Underwriting Commission

Underwriting commission at the rate of 1.75% of the Issue Price is payable by the Company to the Underwriters for 2,900,000 of the IPO Shares and 2,500,000 of the IPO Shares to be offered to the public and to the directors and eligible employees of the Group, and other persons who have contributed to the success of the Group respectively.

Brokerage is payable in respect of the IPO Shares by the Company at the rate of 1.00% of the Issue Price in respect of successful applications which bear the stamp of AmMerchant Bank, member companies of the MESDAQ Market, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

3.9 Future Financials

The Group's revenue and operating results are difficult to forecast and could be adversely affected by many factors such as, but not limited to, those discussed in Section 4 of this Prospectus. As such, the Group's financial forecast or projections have not been included in this Prospectus.

4. RISK FACTORS

Prior to making an investment decision, potential applicants for the IPO Shares should carefully consider, in addition to all other relevant information contained elsewhere in this Prospectus, the following risk factors before making the application for the IPO Shares.

If you are unsure about any of the information contained in this section on “Risk Factors”, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

4.1 Business Risks

The Group's overall performance is subject to certain risks inherent in the healthcare industry. These business risks include, but not limited to, adverse changes in general political, economic, business and credit conditions such as general downturn in the global, regional and national economy, inflation, adverse changes in taxation and interest rates, changes in demographic patterns, shortage in the supply of medical personnel, increase in operating costs, obsolescence of healthcare technologies, adverse changes in legislations, and entry of new players offering similar services as that of the Group.

The Group has taken various measures to mitigate these risks, which include, amongst others, having prudent management policies, expansion of both domestic and regional markets, provision of appropriate, quality and timely medical treatments and services, expansion of service offerings, and continued use of and research into the latest fertility technologies. Nonetheless, any material change in the aforesaid factors could have an adverse impact on the Group's operating and financial conditions.

4.2 Changes in Government Policies, Regulations and Legislations

The Group's operations are governed by the Private Hospital Act 1971 and Private Hospital Regulations 1973 which regulate the licensing and conduct of, inter-alia, private hospitals such as that of the Group's specialist centres. These legislations and other government policies or regulations, which may be introduced from time to time, will affect the way its centres operate and may result in increased cost of compliance. Compliance with more stringent laws or regulations, as well as more vigorous enforcement policies, could result in the Group incurring additional expenditure and thus have a negative impact on its operations and financial results.

The Group has always ensured compliance with all laws and regulations applicable to its operations. As of today, the Group has not contravened or violated any of these legislations. Nevertheless, there is no assurance that the Group's existing licence will be renewed or that new licences will be granted to the Group for any future new medical centres which it may establish. Failure to obtain, renew or maintain such licences will materially and adversely affect its business.

4.3 Dependency on Fertility Treatment Success Rate

The Group specialises in the provision of fertility services, offering a spectrum of medical treatments and services relating thereof to assist infertile couples. The Group has, over the years, responded to the new developments in technology and innovations relating to fertility treatments by improving its existing treatments in a timely manner. This has unequivocally resulted in higher pregnancy rates over the years and thus boosted the confidence of its existing or potential patients to seek treatments at its specialist centres. The Group strives to achieve even higher pregnancy rates with all singleton or twin pregnancies under ART procedures. Nonetheless, the aforesaid pregnancy rates may not be guaranteed to be sustainable in the future and any failure of the same may adversely affect the Group's business.

The Group will continue to undertake R&D activities to further improve its fertility treatment procedures. Still, there can be no assurance that a higher pregnancy rate for its fertility treatments is achievable.

4.4 Potential Litigation and Professional Liability

Being a medical services provider, the Group is generally exposed to the risk of litigation arising from the performance of its services which may not be able to meet the expectations of its patients. As such, the Group is vulnerable and susceptible to potential malpractice or negligence lawsuits. Any of these lawsuits, regardless of their merit or eventual outcome, may have a material adverse effect on the professional standing and market reputation of the Group in relation to the quality of its services and standards of care, and the business of the Group.

As a mitigating factor, the Group sets stringent criteria in employing/contracting the services of medical personnel in addition to its internal policies of emphasis on vigilance, diligence, continuous learning and training. Save for Dr Colin Lee, all the Group's doctors are not employed by the Group. Instead, there are contractual agreements/arrangement between DWSC and these doctors for their services rendered to the Group. Notwithstanding this, all its doctors maintain a professional indemnity insurance, which covers any such potential claims against them.

4.5 Potential Inquiry into the Conduct of the Group's Medical Consultants

The Group's medical consultants are under the purview of the Malaysian Medical Council ("**MMC**"), the body governing registered medical practitioners and their conduct in areas such as good medical practice, obligations of doctors to patients, and advertising and canvassing. Modern life brings doctors into contact with the general public in numerous ways, both directly and indirectly, and raises for them potential problems of conduct for which the MMC may inquire into.

Should these key individuals terminate and/or fail to renew their engagement as consultants, cease to be with the Group due to whatever reason such as being struck-off or suspended from practice as ordered by MMC and/or cease to practice as medical practitioners, this could have an adverse impact on the competitiveness and performance of the Group as a whole.

Dr Colin Lee is currently under inquiry by the Preliminary Investigation Committee ("**PIC**") of the MMC for alleged advertising on the GIFT procedure in a Chinese magazine in September 1995. At its last hearing on 8 July 2004, the PIC stated that it would recommend that there should be further enquiry by the MMC. The lawyer representing Dr Colin Lee is of the view that Dr Colin Lee has good prospects of successfully defending the inquiry by the MMC. Since 8 July 2004, there had not been any further development. In addition, Dr Colin Lee maintains a professional indemnity insurance, which covers any potential claims against him.

4.6 Dependency on Major Supplier

The Group frequently sources for fertility drugs for dispensary and laboratory use. It is an industry practice for fertility centres to source for imported fertility drugs from local appointed distributors due to the lack of locally produced fertility drugs. These fertility drugs play a prominent role in ensuring a high pregnancy rates for its fertility treatments. In particular, a major bulk of the fertility drugs have been purchased from Antah Pharma Sdn Bhd ("**Antah**"), who is the local appointed distributor for Serono, a global pharmaceutical company that markets a number of fertility drugs, and Zuellig Pharma Sdn Bhd ("**Zuellig**"). In financial period ended 31 December 2004, the procurement of fertility drugs from Antah and Zuellig constituted approximately 43% and 23% respectively of the Group's total trade purchases.

Nonetheless, the Group has developed strong business relationships and maintains good rapport with all its existing suppliers. Accordingly, the Board does not foresee any impending or potential loss of any of its current suppliers in the immediate term. However, there can be no assurance that its suppliers will continue to supply to the Group in the future.

4.7 Dependency on On-going Relationships

The Group's doctors have contractual arrangements with at least 7 local hospitals/specialist centres, the main ones being Damansara Specialist Hospital, Sunway Medical Centre and Subang Jaya Medical Centre, to utilise their facilities when deliveries and planned open surgeries are required. As the agreements with these medical centres or hospitals are non-exclusive in nature, there is an inherent risk that such agreements may not be continued should its doctors fail to maintain such relationships. Any revocation of these agreements may have a material impact on the Group's operations as its doctors will have to seek new alternative medical centres or hospitals. Nonetheless, as the profit contribution from these contractual agreements is marginal, any revocation of these agreements is not expected to have a material impact on the business of the Group.

With on-going relationships of more than three (3) years with these medical centres or hospitals, its doctors do not foresee any impending loss of these agreements. Furthermore, in the event that these agreements are terminated, the Group may seek new collaboration with alternative medical centres or hospitals. Nonetheless, there can be no assurance that such new medical centres or hospitals will be well regarded by its patients or are able to provide comparable services to the Group. Notwithstanding this, the Group's main centre is fully licenced under the law and is equipped with requisite infrastructure for it to be converted to provide open surgeries and deliveries with immediate effect.

4.8 Competition

As a healthcare service provider, the Group competes with other fertility centres and hospitals, both large and small, located in Malaysia and abroad. The number of fertility centres and hospitals offering healthcare services is numerous and can be very competitive in certain geographical areas or sub-sectors of the industry. Nevertheless, competition is common for all businesses and the Group is confident that it is well positioned to capitalise on its reputation as a specialist centre that offers a comprehensive and quality range of fertility treatments and services to its customers. However, there can be no assurance that competition will not intensify such that it materially and adversely affects its financial performance in the future.

4.9 Technological Changes

New technology of facilitating infertile couples to conceive is continually evolving. Technology for fertility services has progressed over the years and ART procedures such as blastocyst transfer and ICSI have inevitably opened new doors for both medical personnel and infertile couples alike.

It is part of the Group's business plans to further enhance its fertility technology to achieve higher pregnancy rates. The adoption or development of new innovations of providing fertility treatments and services entails the risks of rendering its existing equipment to be technologically or economically obsolete. If such obsolescence were to occur, the Group may not be able to generate sufficient returns on some of its investment in technology or equipment, which could have an adverse effect on its earnings and cash flow.

4.10 Dependency on Skilled Workforce and Key Personnel

To maintain a consistent level of high quality service to its patients and to increase the Group's competitiveness, the Group requires a skilled workforce, in particular, trained medical staff. Also, to sustain continued success in the healthcare industry, the Group relies, to a large extent, on the abilities and continued efforts of its existing directors and management team. Several of these individuals have been with the Group since its inception and has helped developed a reputation for the Group in the healthcare industry. These key personnel represent the backbone of the Group and the potential loss of several of these key individuals could have an adverse impact on the competitiveness and performance of the Group as a whole.

The Group's medical consultants are engaged under service contracts. Further, they are under the purview of the MMC. As such, should these key individuals terminate and/or fail to renew their engagement as consultants, cease to be with the Group due to whatever reason such as being struck-off or suspended from practice as ordered by MMC and/or cease to practice as medical practitioners, this could have an adverse impact on the competitiveness and performance of the Group as a whole.

To reward and retain its high calibre staff, the Group has undertaken a Doctor and Staff Share Participation Scheme in conjunction with its proposed listing on the MESDAQ Market for the benefits of its doctors and employees. This move will certainly enhance the loyalty and dedication from its workforce. In addition, as there is a sufficiently large pool of talents in Malaysia and internationally, the Group is confident that with proper employment packages, it will be able to replace the loss of any staff with the talents available in the labour market should the need arises.

4.11 Uncertainties in the 5-Year Business Development Plan

The Group's proposed future plans and prospects as disclosed in Section 6.21 of this Prospectus will be dependent upon, amongst others, the Group's continuous success in its fertility treatments; hire and retain skilled and qualified medical personnel as well as maintain its sound management team that is supported by the equally important financial, technical, marketing and other personnel; develop and manage the growth of its branches / centres in a territory that may be new to the management; successfully manage growth (including monitoring operations, controlling costs and maintaining effective quality services); and obtain sufficient financing for its expansion plans as and when needed.

There can be no assurance that the Group will manage to successfully perform all that is required of them under the 5-year business development plan or that some unanticipated events or difficulties will not occur which would result in a disparity in the Group's actual results for the said period. Nevertheless, the Group believes that its long-serving management team is experienced enough in this industry to implement the business plan accordingly as well as perform its task in an altered business environment.

4.12 Future Capital Requirement

As detailed in Section 6.21.4 of this Prospectus, the Group plans to set-up Tropicana Medical Centre, a women and children specialist medical centre which will house facilities such as one-stop IVF centre, operating theatres, endoscopy suites, labour and delivery suites etc. The construction of Tropicana Medical Centre is expected to be operational by 2008, with the cost to be financed by borrowings, internally generated funds and the IPO proceeds. There can be no assurance that the Group would be successful in obtaining such financing or that such financing, if obtained, would be at rates acceptable to the Group. However, the Group believes that it would be able to secure the required facilities to finance its operational and expansion needs.

4.13 No Prior Market for the Shares

As there has been no prior public market for the Shares, there can be no assurance that an active public market will be developed or be sustained after the IPO or that the market price of the Shares will not decline below the Issue Price.

The Issue Price of RM0.38 has been determined after taking into consideration a number of factors, including but not limited to the Group's financial and operating history and conditions, the Group's estimates of its business growth potential and revenue prospects, the management of the Group, the prevailing economic and market sentiments, and the consideration of the aforesaid factors in relation to the market valuation of companies in related business.

The Group believes that a variety of factors could cause the price of the Shares to fluctuate and such fluctuations may adversely affect the market price of the Shares. The performance of Bursa Securities is very much dependent on external factors such as the performance of regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by some internal factors such as the economic and political conditions of Malaysia as well as growth potential of various sectors of the economy.

Furthermore, the Company will not be able to control the sales of Shares in the public market after the IPO. Sudden selling pressure from the market will affect the price of its Shares and may impede its ability to raise funds if required. In addition to the 42,100,000 IPO Shares offered under the IPO, 50,481,500 Shares not subject to the moratorium will be eligible for immediate sale in the public market. Nevertheless, it should be noted that the profitability of the Group is not dependent on the performance of Bursa Securities.

4.14 Continued Control by the Promoters

Upon completion of the IPO, the Promoters will, in the aggregate, beneficially own 51% of the issued and paid-up share capital of the Company. As a result, these shareholders, acting together, will possess voting control over the Company, giving them the ability, amongst others, to elect at least a majority of the Board and to control the vote on significant corporate transactions. Such control could delay, defer or prevent a change in control of the Group, impede a merger, consolidation, take-over or other business combination involving the Group or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Group.

As a step towards good corporate governance, the Group has appointed Independent Directors and an Audit Committee is also in place to ensure that all future transactions involving related parties, if any, are entered on arms-length terms.

4.15 Political, Social and Economic Considerations

There can be no assurance that the Group will not be affected by uncertainties in the general economy and political arena, all of which could materially and adversely affect the Group's business performance, operating results and financial condition. These changes include, inter-alia, the risk of war, globalisation effect, changes in monetary and fiscal policies as well as geo-political uncertainties.

With the ever-changing market demand, the demographic trends and social lifestyles are uncertain and may be subject to change. In view thereof, the Group is targeting to introduce new techniques in fertility treatment with emphasis placed on R&D. These new techniques currently offered or to be offered in the near future are, amongst others, blastocyst transfer and PGD.

4.16 Acquisitions and Joint Ventures

If appropriate opportunities prevail, the Group may acquire businesses, products or technologies or enter into synergistic joint ventures that the Group believes will be in the interest of its shareholders. Still, there can be no assurance that the Group will be able to successfully identify, negotiate or finance such acquisitions and joint ventures, or to integrate such acquisitions and joint ventures with its current business, or to benefit from such acquisitions and joint ventures. Acquisitions and joint ventures may cause the Group to seek additional capital, which may or may not be available on satisfactory terms.

As a mitigating factor, any investment of such nature will be carefully considered by the Board with due care.

4.17 Insurance Coverage on Assets

As at LPD, the Group has adequate insurance coverage on its business operations. Whilst the Group reviews the insurance policies on a regular basis to ensure that there is adequate insurance coverage for its assets and premises, there can be no assurance that the insurance coverage would be adequate for its premises and replacement cost for its assets should there be any unforeseen loss or damages arising from emergency events, such as breakout of fire.

4.18 Borrowings

As at LPD, the Group's borrowings amounted to RM6.62 million. The borrowing facilities were incurred for the acquisition of its landed property, details of which are set out in Section 6.16 of this Prospectus. The Board is of the view that cash flow to be generated from its operations in the future will be more than adequate to meet the repayment terms of the said borrowings. Additionally, the said borrowings have a fixed interest rate term, thus mitigating any risk of future fluctuations in the interest rates.

4.19 Disclosure Regarding Forward-Looking Statements

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by TMC Life Sciences, directors or employees acting on the Company's behalf, that are not statements of historical fact, constitute "forward-looking statement". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", and "could" or similar words. These words are not the exclusive means of identifying forward-looking statements as all statements regarding the Company's expected financial position, business strategy, plans and prospects are also forward-looking statements. These forward-looking statements, including statements as to the Company's revenue and profitability, cost measures, planned strategy and any other matters discussed in this Prospectus regarding matters that are not historical facts are only predictions. Statements such as these involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

4.20 Breakout of Fire, Energy Crisis and Other Emergency Crisis

The Group believes that it has adequate safety and fire-fighting equipment installed at its office premises to ensure that the risk of fire is contained. The Group has in place a system of educating its employees in fire safety. Besides that, the Group's office premises are insured against losses arising from fire. However, notwithstanding the measures taken, there is no assurance that any of the above-mentioned crises may not cause interruptions in the Group's operations in the future.

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5. INFORMATION ON THE GROUP

5.1 Incorporation and Principal Activities

TMC Life Sciences was incorporated in Malaysia under the Act on 8 August 2003 as a private limited company. It was converted into a public company on 9 December 2003 to facilitate its listing on the MESDAQ Market.

The Company is principally an investment holding company.

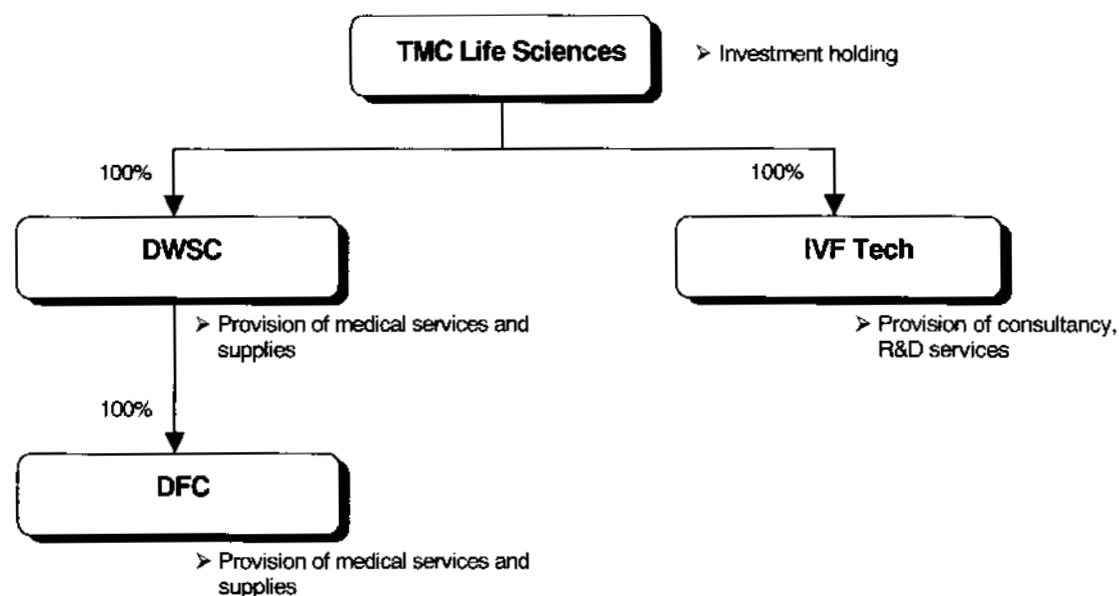
5.2 Group Structure

The Company has two (2) wholly-owned subsidiaries, namely DWSC and IVF Tech. DWSC has a wholly-owned subsidiary, namely DFC. The Company does not have any associated company.

The summary details of its subsidiaries are as follows:-

Name	Date of Incorporation	Place of Incorporation	Equity Interest (%)	Principal Activities
DWSC	11.03.1999	Malaysia	100	Provision of medical services and supplies
IVF Tech	05.03.1996	Malaysia	100	Provision of consultancy, R&D services
Subsidiary of DWSC				
DFC	21.05.2003	Malaysia	100	Provision of medical services and supplies

A graphical representation of the Group structure are as follows:-



5.3 Share Capital and Changes in Share Capital

The Company's present authorised share capital is RM25,000,000 comprising 250,000,000 ordinary shares of RM0.10 each and an issued and paid-up share capital of RM12,623,000 comprising 126,230,000 ordinary shares of RM0.10 each. Upon completion of the IPO, the enlarged issued and paid-up share capital of the Company will be RM16,833,000 comprising 168,330,000 Shares.

The changes in the issued and paid up share capital of the Company since its incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value (RM)	Consideration	Cumulative Total (RM)
08.08.2003	2	1.00	Subscribers' shares	2
27.05.2005	11,732,055	1.00	Acquisition of DWSC	11,732,057
27.05.2005	70,943	1.00	Acquisition of IVF Tech	11,803,000
19.08.2005	820,000	1.00	Special Issue	12,623,000
19.08.2005	-	0.10	Share Split	12,623,000
Upon listing	42,100,000	0.10	IPO	16,833,000

5.4 Information on Subsidiaries

5.4.1 DWSC

(i) Incorporation and Principal Activities

DWSC was incorporated in Malaysia under the Act on 11 March 1999 as a private limited company.

DWSC is principally involved in the provision of medical services and supplies.

(ii) Share Capital and Changes in Share Capital

Both the authorised and the issued and fully paid-up share capital of DWSC are RM5,000,000 comprising 5,000,000 DWSC Shares.

The changes in its issued and paid-up share capital of DWSC since its incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value (RM)	Consideration	Cumulative Total (RM)
11.03.1999	2	1.00	Subscribers' share	2
05.05.2001	49,998	1.00	Cash	50,000
12.01.2002	200,000	1.00	Cash	250,000
08.10.2003	750,000	1.00	Cash	1,000,000
27.05.2005	1,180,000	1.00	Rights issue (118:100) @ RM1.00	2,180,000

(iii) Subsidiary and Associated Companies

DWSC has one (1) wholly-owned subsidiary, namely DFC. Further details of DFC is set out in Section 5.4.3 below. DWSC does not have any associated companies.

(iv) Substantial Shareholders

DWSC is a wholly-owned subsidiary of TMC Life Sciences.

5.4.2 IVF Tech**(i) Incorporation and Principal Activities**

IVF Tech was incorporated in Malaysia under the Act on 5 March 1996 as a private limited company.

IVF Tech is principally involved in the provision of consultancy, R&D services.

(ii) Share Capital and Changes in Share Capital

The authorised share capital of IVF Tech is RM100,000 comprising 100,000 IVF Tech Shares whilst its issued and fully paid-up share capital is RM1,000 comprising 1,000 IVF Tech Shares.

The changes in its issued and paid-up share capital of IVF Tech since its incorporation are as follows: -

Date of Allotment	No. of Shares Allotted	Par Value (RM)	Consideration	Cumulative Total (RM)
05.03.1996	2	1.00	Subscribers' share	2
15.12.2003	998	1.00	Cash	1,000

(iii) Subsidiary and Associated Companies

IVF Tech does not have any subsidiary or associated companies.

(iv) Substantial Shareholders

IVF Tech is a wholly-owned subsidiary of TMC Life Sciences.

5.4.3 DFC**(i) Incorporation and Principal Activities**

DFC was incorporated in Malaysia under the Act on 21 May 2003 as a private limited company.

DFC is principally involved in the provision of medical services and supplies.

(ii) Share Capital and Changes in Share Capital

The authorised share capital of DFC is RM100,000 comprising 100,000 ordinary shares of RM1.00 each whilst its issued and fully paid-up share capital is RM2 comprising 2 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of DFC since its incorporation.

(iii) Subsidiary and Associated Companies

DFC does not have any subsidiary or associated companies.

(iv) Substantial Shareholders

DFC is a wholly-owned subsidiary of DWSC.